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Planning Commission Staff Report

TO: PLANNING COMMISSION

FROM: SYDNEY BETHEL, PLANNER II *SdB*
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THROUGH: CATHERINE LORBEER, AICP, PRINCIPAL PLANNER *ajl*
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MEETING DATE: JANUARY 8, 2020

SUBJECT: A. GP19-14, MELROSE COMMERCIAL: REQUEST FOR MINOR GENERAL PLAN AMENDMENT TO CHANGE THE LAND USE CLASSIFICATION OF APPROX. 5.03 ACRES GENERALLY LOCATED AT THE NORTHEAST CORNER OF VAL VISTA DRIVE AND MELROSE STREET FROM BUSINESS PARK (BP) TO GENERAL COMMERCIAL (GC).

B. Z19-26, MELROSE COMMERCIAL: REQUEST TO REZONE APPROX. 5.03 ACRES GENERALLY LOCATED AT THE NORTHEAST CORNER OF VAL VISTA DRIVE AND MELROSE STREET FROM BUSINESS PARK (BP) WITH A PLANNED AREA DEVELOPMENT (PAD) OVERLAY TO GENERAL COMMERCIAL (GC).

STRATEGIC INITIATIVE: Exceptional Built Environment

This project will allow for the development of a vacant property that will provide a commercial service to the community.

RECOMMENDED MOTION

A. Move to recommend to Town Council approval of GP19-14, a Minor General Plan Amendment; and

- B. For the reasons set forth in the staff report, move to recommend approval to the Town Council for Z19-26, as requested, subject to the conditions listed in the staff report.

APPLICANT

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 Phoenix, AZ 85016
 Phone: (602) 230-0600
 Email: adam@witheymorris.com

OWNER

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BACKGROUND/DISCUSSION

History

Date	Description
<i>August 29, 2006</i>	Town Council approved Z06-55, adopting Ordinance No. 1813, creating the Val Vista & Germann PAD.
<i>November 9, 2006</i>	Design Review Board approved Mercy Point Professional Village (DR06-100), a 60,942 sf medical office complex that encompassed the subject site and the site to the south across Melrose Street. The portion of the project to the south was completed but the second half of the project was not completed.
<i>December 4, 2019</i>	Planning Commission reviewed Melrose Commercial (GP19-14/Z19-26) as a study session item.

Overview

The applicant is requesting to change the existing land use classification and zoning for approx. 5 gross acres to allow for a commercial development intended for restaurant, retail, and convenience uses. The land use classification is proposed to change from Business Park (BP) to General Commercial (GC) and the existing zoning district is proposed to change from Business Park (BP) with a Planned Area Development (PAD) overlay to conventional General Commercial (GC). The subject site is presently vacant and located at the northwest corner of Val Vista Drive and Melrose Street within the Val Vista Medical Growth Area.

Surrounding Land Use & Zoning Designations:

	Existing Land Use Classification	Existing Zoning	Existing Use
North	General Office (GO)	General Office (GO) with PAD overlay	Vacant
South	Business Park (BP)	Business Park (BP) with PAD overlay	Mercy Point Medical Center
East	Business Park (BP)	Business Park (BP) with PAD overlay	Vacant
West	Regional Commercial (RC)	Regional Commercial (RC)	Val Vista Drive then Quick Trip and Vacant

Site	Business Park (BP)	Business Park (BP) with PAD overlay	Vacant
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General Plan

The General Plan classifies the property as Business Park (BP), which designates areas for office and light industrial uses, including high technology and research and development firms. The applicant is proposing to change the land use classification from Business Park (BP) to General Commercial (GC), which designates areas for freestanding retail, office and commercial uses that may be developed as individual projects or as a mixed-use development. The minor General Plan amendment has been requested to align the subject site's land use designation with the proposed zoning district of General Commercial (GC) to allow for a commercial center development.

The site is also located within the Val Vista Medical Growth Area. The Mercy Gilbert Medical Center that was constructed in 2006 and has spurred growth in the medical office, medical research and rehabilitation/care facilities within the area. Per the General Plan, the Town anticipates that this area will continue to grow with medical office, general office and business park land uses supported by mixed-use, commercial and hospitality uses. Gilbert's Growth Areas are focused on economic sustainability and therefore concentrated in employment and commerce centers that the Town wishes to expand.

The developments within the Growth Areas should integrate a variety of employment options supported by a mixture of land uses but each Growth Area has been identified to support specific types of uses that are appropriate to the area and its needs. In the case of the subject site, the Val Vista Medical Growth area is focused on medical and office uses. The Val Vista Medical Growth Area represents a cluster and localization of medical facilities, supply chains and labor, which suggests that continued healthcare employment growth has a high probability of increasing in this area thus why it was originally identified and fostered as a medical growth area.

The applicant believes that the project is supported by the goals, policies, and objectives of the General Plan for the following reasons (applicant notes in *italics*):

Land Use Policy 3.1 Promote development within Growth Areas where resources and infrastructure are in place or can reasonably be made available.

- *The project is located along a major arterial street where resources and infrastructure are already in place.*

Land Use Goal 5.0 Promote commercial, retail, and employment land uses that are compatible with adjacent land uses and meet economic goals.

- *The site fronts a major arterial street where commercial uses are appropriate and expected. Its proximity next to the 202 Freeway makes this an ideal location for commercial uses because travelers expect and use commercial amenities on their way to and from work.*

Land Use Policy 6.2 Provide a mix of land uses within each growth area including varies housing types and densities, employment opportunities and access to retail and commercial centers.

- *Employment uses within the Val Vista Medical Growth Area need support retail and commercial centers nearby. All strong employment centers have a commercial component*

that can support its workforce without having to cross major roads and freeways. This retail center is perfectly located for quick access to the larger employment uses given its internal access from Melrose Street.

Economic Development Policy 4.6 Attract, retain, and grow unique retail businesses that serve a regional customer base as a means to increase Gilbert's sales tax revenue.

- *The project will provide approx. 10,274 sf of new retail business that serve a regional customer base given its proximity to the freeway and a major employment corridor. This new commercial opportunity will increase Gilbert's sales tax revenues compared to the approved single-story office plan that would have no expected sales tax benefit.*

Community Design Goal 6.0 Encourage developers to design attractive and functional retail and service facilities that serve that needs of residents, visitors and businesses.

- *The developer will use integrated architectural and landscape design themes for the commercial center. They will provide safe and efficient access to commercial uses by pedestrians, bicyclists and vehicles and will design access for disabled persons to minimize crossing of vehicular drives. The site will be designed so service facilities are screened from view in a well-integrated manner including a combination of architectural walls softened with vegetation that result in a visually pleasing design. Future design will encourage enhancement of building mass by balancing height, rooflines, facades and rhythm of design elements.*

Rezoning

The applicant is requesting to change the existing zoning from Business Park (BP) with a PAD overlay to a conventional zoning of General Commercial (GC). Per the applicant, the anticipated uses for the site are restaurant, retail and a fueling facility. The applicant has provided a conceptual site plan for reference only in which they are proposing a restaurant with drive-through, a retail pad and a fueling facility with a convenience store. Within the BP zoning district, there are certain limitations on uses to support the business park environment. For example, restaurants are permitted but they cannot front onto an arterial street and they are not permitted to have a drive-through. General retail is only permitted in BP zoning as a use incidental to the principal use of the property and cannot exceed 20 percent of the principal use Gross Floor Area (GFA). Traditional fueling facilities and convenience stores are also not permitted within the BP zoning district. Due to the limitations on the desired uses the applicant would like to implement, they have requested to rezone to the GC zoning district, which permits all proposed uses with no additional limitations.

Project Data Table

Site Development Regulations	Required per LDC (BP) and Ord. No. 1813	Proposed General Commercial (GC)
Maximum Height (ft.)/Stories	35' / 2 Stories	45'
Minimum Building Setbacks (ft.)		
Front	25'	25'
Side (Street)	20'	20'
Side (Nonresidential)	0' (Employment)	20'
Rear (Nonresidential)	0' (Employment)	20'

Minimum Required Perimeter Landscape Area (ft.)		
Front	25'	25'
Side (Street)	20'	20'
Side (Nonresidential)	5' (Employment)	20'
Rear (Nonresidential)	5' (Employment)	20'

Economic Analysis

The applicant provided an Area Employment Inventory and Analysis to support their findings, which is included in Attachment 2, Project Narrative. The applicant believes that the existing zoning pattern within the area indicates there is a tremendous supply of employment zoning in the immediate area and their request for a rezoning of 5 acres would not disrupt or impact future employment uses. Within the Project Narrative, the applicant also included additional justifications on why the proposed use of commercial is more optimal for the subject site than the existing BP land use designation. The major points include (applicant notes in *italic*):

- *The site fronts a major arterial street where commercial uses are appropriate and expected. Its proximity next to the 202 Freeway also makes the site an ideal location for commercial uses because travelers expect and use commercial amenities on their way to work.*
- *The site is located adjacent to a hospital and medical office uses that need commercial and restaurant amenities nearby. All strong employment centers have a commercial component that can support its workforce without having to cross major roads and freeways.*
- *The site has been consistently marketed as an approved office condo development for more than thirteen (13) years but has found little interest from potential users and/or developers. The site has also been marketed as a potential joint development opportunity with vacant BP land to the north and east, but no interest has materialized.*

At staff's request, the Town of Gilbert's Office of Economic Development produced an economic analysis (see Attachment 8) to evaluate the economic impact of a commercial use verses an office/medical use on the subject site and the demand for each within the area. This analysis provides valuable information that allows staff to assess the land use change. Economic Development used two (2) models to assess the fiscal impact of the two (2) different types of developments on the local economy. The first being the Land Use Model developed by Applied Economics, which estimates the General Revenue Funds that would be produced annually based on a use and the second being an Economic Impact Model, which estimates the potential economic impact that the addition of an industry's employees would have on the local economy.

For the purposes of the Land Use Model, two (2) scenarios were evaluated: a) development of the subject site as five (5) acres of BP and b) development of the site as five (5) acres of GC. The results favored the GC scenario. In summation, the net fiscal impact to the General Revenue Funds in the commercial scenario averages about \$70K annually, while the BP scenario averages \$-1.5K annually.

For the purposes of the Economic Impact Model, two (2) scenarios were evaluated: a) the development of the site as healthcare, which would hypothetically add 177 healthcare employees and b) the development of the site as restaurant, which would hypothetically add 80 food service

employees. The results favored the BP with the health care scenario producing a total of 290 jobs directly and indirectly with food service employees producing a total of 97 jobs. In terms of dollar amounts, for the healthcare scenario it would create an estimated annual output (total dollar value of all goods and services sold within a given period) of \$38,009,717 with the food service scenario providing an output of \$6,682,212 annually.

Although the Land Use Model produced a very favorable scenario for commercial, the Economic Impact Model produced a favorable scenario of medical/office use. A retail store or restaurant may generate more sales tax revenue annually than an office building; however, the office building may house more employees at higher wages, and their collective impact on local retail in turn may be higher than that of a retail or restaurant employee. In summation, both uses would benefit the area and greater community measurably but in different ways.

PLANNING COMMISSION STUDY SESSION DECEMBER 4, 2019

At the December 4, 2019 Planning Commission (PC) study session, input was provided concerning the proposed Melrose Commercial rezone. The PC generally expressed support for the project; they believed that the proposed commercial development was an ideal use for the property due to the subject site's location, which could provide needed services to the northbound traffic heading to the 202. There was discussion on the Val Vista Medical Growth Area and if the vision originally implement over fifteen (15) years ago should be strictly enforced or if it should be modified to adjust to market demands as the area continues to develop. The PC was in agreeance with the importance of the vision for the area but also believed that minor modifications over time to a vision can allow it to be aligned with present day demands.

PUBLIC NOTIFICATION AND INPUT

A notice of public hearing was published in a newspaper of general circulation in the Town, an official notice was posted in all the required public places within the Town and neighborhood notice was provided per the requirements of the Land Development Code Article 5.205.

A neighborhood meeting was held on January 14, 2019 at Quartz Hill Elementary School. No residents attended the meeting.

Staff has received no comment from the public but has received a letter of support from the Town of Gilbert Chamber of Commerce and four (4) letters of support from surrounding property and business owners.

PROPOSITION 207

An agreement to "Waive Claims for Diminution in Value" pursuant to A.R.S. § 12-1134 was signed by the landowners of the subject site, in conformance with Section 5.201 of the Town of Gilbert Land Development Code. This waiver is located in the case file.

REASONS FOR THE RECOMMENDATION

1. The proposed zoning amendment conforms to the General Plan as amended, any applicable Specific Area Plan, neighborhood, or other plan and any overlay zoning district.

2. All required public notice has been conducted in accordance with applicable state and local laws.
3. All required public meetings and hearings have been held in accordance with applicable state and local laws.
4. The proposed rezoning supports the Town's strategic initiative for Community Livability. It supports the motto "Gilbert: Clean, Safe, Vibrant."

STAFF RECOMMENDATION

- A. Recommend to the Town Council approval of GP19-14, to change the land use classification of approx. 5 acres, generally located at the northwest corner of Val Vista Drive and Melrose Street from Business Park (BP) to General Commercial (GC) land use classification; and
- B. For the following reasons: the development proposal conforms to the intent of the General Plan and can be appropriately coordinated with existing and planned development of the surrounding areas, and all required public notice and meetings have been held, the Planning Commission moves to recommend approval of Z19-26 rezoning approx. 5 acres within the Val Vista and Germann Planned Area Development (PAD) and generally located at the northwest corner of Val Vista Drive and Melrose Street from approx. 5 acres of Business Park (BP) zoning district with a Planned Area Development (PAD) overlay to approx. 5 acres of General Commercial (GC) zoning district with a Planned Area Development (PAD) overlay, subject to the following conditions.
 - a. Dedication of a privately-owned roadway easement or tract for the Maplewood Road alignment adjacent to the Property shall be completed prior to or at the time of recordation of the final plat or sooner as required by the Town Engineer. Dedication of Maplewood Road shall extend a minimum of 25 feet from the property monument line.
 - b. Construction of off-site improvements to Maplewood Road and adjacent to the Property shall be completed prior to issuance of a certificate of occupancy or final approval of any building constructed on the Property or at the time requested by Gilbert, whichever is earlier.
 - c. Developer shall create a Property Owner's Association (POA) for the ownership, maintenance, landscaping, improvements and preservation of all common areas and open space areas, and landscaping within tracts and the rights-of-way. Maintenance responsibilities for common areas and open space areas shall be specified on the approved site plan or final plat.
 - d. Developer shall record easements to be owned by the POA for pedestrian, bicycle, multi-use or trail system purposes as determined by

the final plat, at the time of final plat recordation, or earlier if required by the Town Engineer. Such easements shall be open to public access and use.

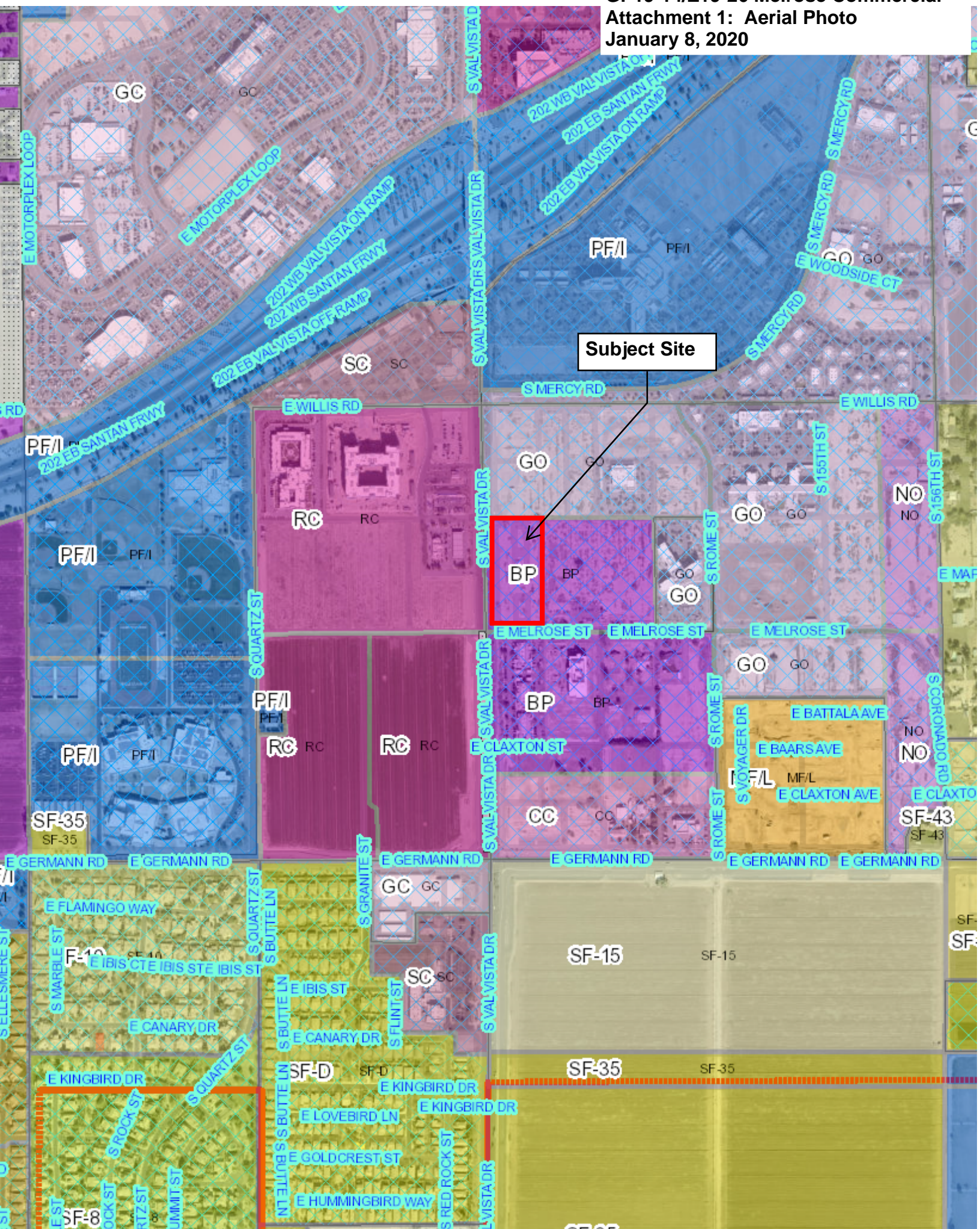
Respectfully submitted,



Sydney Bethel
Planner II

Attachments and Enclosures:

- 1) Aerial Photo
- 2) Project Narrative
- 3) Land Use Exhibit
- 4) Zoning Exhibit
- 5) General Plan Growth Areas Map
- 6) Conceptual Site Plan (For Reference Only)
- 7) Chamber of Commerce Letter of Support
- 8) TOG Economic Analysis
- 9) Planning Commission Study Session Draft Minutes – December 4, 2019



Melrose Commercial NEC of Val Vista & Melrose Dr.

Minor General Plan Amendment & Rezone



October 10, 2019

Submitted by:

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Phoenix, Arizona 85016
602-230-0600,
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On behalf of:



Melrose Commercial

**Approx. 5.03 gross acres located
at the northeast corner of Val Vista Dr. and Melrose St.**

Rezone and Minor General Plan Amendment Project Narrative

A. Request

This application includes a Minor General Plan amendment to change the land use classification for 5.03 acres from Business Park (BP) to General Commercial (GC) and rezone the Property from Planned Area Development Business Park (BP PAD) to General Commercial (GC) to allow for a new commercial development.

B. Project Location

The subject property is the vacant land located at the northeast corner of Val Vista Dr. and Melrose Street in Gilbert. (the "Property"). See Aerial Map attached at **Tab 1**. To the north and east of the Property is a vacant land zoned BP. To the south are single-story office condos zoned BP. To the west, across Val Vista Dr., is a retail development (QuikTrip, car wash and Dutch Bros.) zoned Regional Commercial. To the north are 11 acres that are being rezoned from BP to RC (GP19-04/Z19-13), application pending.

C. Site History

In 2006, the Property was initially zoned BP PAD as part of a larger 160-acre zoning case (Z06-55). Around the same time, the Design Review Board approved plans for a medical office development called Mercy Point Professional Village (DR06-100). Mercy Point proposed six (6) office condo buildings. The development was split between two halves and divided in the middle by Melrose Street. A copy of the DR plan is at **Tab 2**. The south half was developed with three buildings and the north half was intended for three buildings but remains vacant today.

The north half has been consistently marketed as an approved office condo development for more than 13 years but has found little interest from potential users and/or developers. The site has also been marketed as a potential joint development opportunity with the vacant BP land to the north and east but no interest has materialized. The site remains vacant today despite having a fully approved site plan, landscape plan, grading plan, lighting plan, architecture plans, and more. The lack of interest for BP uses on this arterial street frontage, especially given all the approvals in place, is indicative that a change in zoning is appropriate.

D. Development Proposal

The applicant proposes to rezone the Property to General Commercial (GC) to allow for a new commercial development. The development will consist of two restaurant pads and a fueling facility. A copy of the site plan and building elevations are at **Tab 3**

The development proposes an efficient use of land with access points and pedestrian connectivity to the future BP areas to the east. The development will be accessed from Val Vista Drive, Melrose Street, and another connection to the north. The north connection follows the planned access point that exists today and is partially improved. The proposed development conforms to all the required development standards and no deviations are necessary.

E. Area Employment Inventory and Analysis

A review of the zoning pattern indicates there is a tremendous supply of employment zoning in the immediate area and this request for only 5 acres will not disrupt or impact future employment uses whatsoever. The exhibit at **Tab 4** illustrates the employment corridor and the types of land uses within it. The information below shows the breakdown of employment uses in this immediate area:

Office Employment (233 acres or 49.4% of total area)

- Business Park: 124 acres
- Neighborhood Office: 15 acres
- General Office: 94 acres

Public Facility/Institutional: (144 acres or 30.6% of total area)

- Mercy Gilbert: 59 acres
- Gilbert School District: 65
- ADOT Property: 20

Commercial: (94 acres or 20% of total area)

- Regional Commercial: 74 acres
- Shopping Center: 9 acres
- Community Commercial: 11 acres

Total: 471 acres

The commercial rezone change for only 5 acres equals less than ½ of 1% of the overall 471 acres in this area. There will be no measurable impact on the office uses planned for this corridor attributed to this change in zoning.

F. General Plan Applicability and Criteria

This project is supported by the goals, policies, and objectives of the General Plan. Demand has grown for adjacent commercial uses to support the medical campus and BP zoned areas. Updating the General Plan will expand the available opportunities

on this site to support the adjacent medical corridor and employment area. This will be a win-win for all.

1. Why is the current classification not suitable?

This site is better suited for commercial uses for several reasons. First, the site directly fronts a major arterial street where commercial uses are appropriate and expected. Val Vista Drive is one of the busiest transportation corridors in the town. Commercial zoning is a natural pattern along a major arterial street which is reflected by the retail uses across from this site. Its proximity next to the 202 Freeway also makes this an ideal location for commercial uses because travelers expect and use commercial amenities on their way to and from work.

Second, it is ideally situated on the east side of Val Vista Dr., adjacent to employment zoning, a hospital and medical office uses that need commercial and restaurant amenities nearby. All strong employment centers have a commercial component that can support its workforce without having to cross major roads and freeways. This center is perfectly located for quick access to the larger employment uses given its internal access from Melrose Street. For this reason, several property owners within this area have expressed written support for this request as shown at **Tab 5**.

Third, physical barriers like the 202 freeway and traffic related to the San Tan shopping area discourage people from traveling during a short lunch break. Given the short time they have for lunch or breaks, commercial proximity is key. The ability to locate those amenities next to, and within the context of, the larger employment area makes it a stronger office employment corridor, more likely to develop, and more attractive to potential employers and employees.

Finally, there has been a reduction in commercial zoning in this immediate area which negatively impacts opportunities to commercially support the larger employment area. Specifically, the southwest corner of Germann Road and Val Vista Drive has developed with a very large charter school and storage center instead of the commercial uses that were once intended. To the west are two large residential assisted living facilities on approximately 14 acres which were once intended for commercial (RC) uses. To the northwest are 9 acres zoned Shopping Center (SC) which are developed as a medical office building (Copper Point Business Park) instead of retail. We also heard about other future applications forthcoming to downzone commercial land west of Val Vista for multi-family apartments. This application will actually strengthen the commercial uses.

In short, this request is appropriate and compatible with the General Plan given its arterial location, freeway proximity, and adjacency to employment areas. More important, its necessity is highlighted by recent approvals which have removed commercial inventory from this area. By locating some commercial uses next to the hospital area, on the east side of Val Vista Dr., this application strengthens the existing employment and increases the likelihood of more employment development.

2. How the proposed change is compatible with adjacent properties and other elements of the General Plan.

The commercial development proposed on this Property is consistent with the RC commercial zoning, retail development and restaurant use proposed directly north of this site ("Mercy Val Vista Center"). The GC designation is also consistent with the RC-designated property on the west side of Val Vista. It is a natural pattern to have these commercial uses follow along the same frontage of Val Vista Road.

The proposal is also consistent with the Val Vista Medical Growth Area. The Town anticipates this area will continue to grow with medical office, general office and business park land uses "supported by mixed-use, commercial and hospitality uses", as noted in the Gilbert General Plan (Chapter 2 page 7). Hence, commercial uses here are an ideal way to support the employment uses in the Val Vista Medical Growth Area.

There are many goals, policies, and objectives of the General Plan that support the commercial use at this location. The following are some excerpted provisions from the General Plan:

Land Use Policy 3.1 Promote development within Growth Areas where resources and infrastructure are in place or can reasonably be made available.

The project is located along a major arterial street where resources and infrastructure are already in place.

Land Use Goal 5.0: Promote commercial, retail, and employment land uses that are compatible with adjacent land uses and meet economic goals.

The site fronts a major arterial street where commercial uses are appropriate and expected. Its proximity next to the 202 Freeway makes this an ideal location for commercial uses because travelers expect and use commercial amenities on their way to and from work.

Land Use Policy 6.2 Provide a mix of land uses within each growth area including varied housing types and densities, employment opportunities and access to retail and commercial centers.

Employment uses with the Val Vista Medical Growth Area need support retail and commercial centers nearby. All strong employment centers have a commercial component that can support its workforce without having to cross major roads and freeways. This retail center is perfectly located for quick access to the larger employment uses given its internal access from Melrose Street.

Economic Development Policy 4.6: Attract, retain, and grow unique retail businesses that serve a regional customer base as a means to increase Gilbert's sales tax revenue.

The project will provide approximately 10,274 sf of new retail business that will serve a regional customer base given its proximity to the freeway and a major employment corridor. This new commercial opportunity will increase Gilbert's

sales tax revenues compared to the approved single-story office plan that would have no expected sales tax benefit.

Community Design Goal 1.0: Promote quality design for new development.

This new development will provide highly articulated, efficient site design, sustainable landscaping, creative signage and energy efficient lighting.

Community Design Goal 6.0: Encourage developers to design attractive and functional retail and service facilities that serve the needs of residents, visitors and businesses.

The developer will use integrated architectural and landscape design themes for the commercial center. They will provide safe and efficient access to commercial uses by pedestrians, bicyclists and vehicles and will design access for disabled persons to minimize crossing of vehicular drives. The site is designed so service facilities are screened from view in a well-integrated manner including a combination of architectural walls softened with vegetation that result in a visually pleasing design. Future design will encourage enhancement of building mass by balancing height, roof lines, facades and rhythm of design elements.

3. What unique physical characteristics of the site present opportunities or constraints for the development under the existing classification?

The parcels are small and separate from the larger parcels contained within the BP designated areas. Normally this would not be an issue if they were under common ownership. However, this parcel is held by an owner different from the other BP owners.

More importantly, this site was never intended to be developed with the balance of the BP zoned property or vertical height overlay that surrounds it. The 2006 DR approval and site plan show no vehicular or pedestrian cross access to the east or north. This site was supposed to be a single-story office condo plan, isolated from the remainder of the BP area, and built independently from the rest. Thus, the change to commercial zoning doesn't disrupt or impact the ability of the other BP parcels that surround it from achieving their expected potential. The approval of this zone change does not disrupt the surrounding BP zoning or future uses in the area. In fact, the commercial uses proposed here will provide services and dining that will serve future employees within the BP area.

4. Explanation on the availability of public utilities and services.

The subject property already has adequate infrastructure in place to support this commercial development. There is a 12-inch sewer lateral line entering the site and two (2) fire hydrants on site already. There is a water line in Val Vista Road in front of the site. Accordingly, there are adequate utilities in place to serve this proposed community.

This proposal also helps tee-up future employment uses within this corridor. Roadway dedications, street improvements, public utilities and services will be installed

in the adjoining streets and extend to the edge of adjacent sites for the future employment uses. These improvements help make this employment area one step closer to development and marketability.

5. What is the proposed fiscal impact of future development based on evaluation of projected revenues and the additional cost of providing public facilities and services to accommodate projected increases or decreases in population?

This project will create a net fiscal benefit. The commercial development will create substantially more retail sales tax revenues that would not likely be captured if the previously approved office condo development plan were built. This location is next to future office uses that need a quick service use. We expect it will have tremendous customer support from the future employers in the area as well as traffic heading along Val Vista Drive towards the 202 Freeway. The proposed development should have no negative impact on existing public facilities and services.

6. How will the proposed amendment affect the ability of the community to sustain the physical and cultural resources, including air quality, water quality, energy, natural and human-made resources necessary to meet the demands of present and future residents?

The proposed amendment does not diminish the ability of the Town to sustain its physical and cultural resources. This commercial development is appropriately located in an existing commercial area and next to an employment area that needs these types of commercial support services.

G. Conclusion

Commercial development at this location simply makes sense. After more than 13 years being zoned, entitled, and DR approved for a single-story office condo, the continued lack of interest in this site indicates a different proposal is needed. Commercial uses along Val Vista Road are perfect for this transportation corridor, freeway interchange, and surrounding area. The proximity and adjacency of the medical uses and employment area create a unique opportunity to provide support services and amenities that future employers need. The proposed plan complements the area and will be a benefit to the Town of Gilbert.

Tab 1

PARCEL MAP





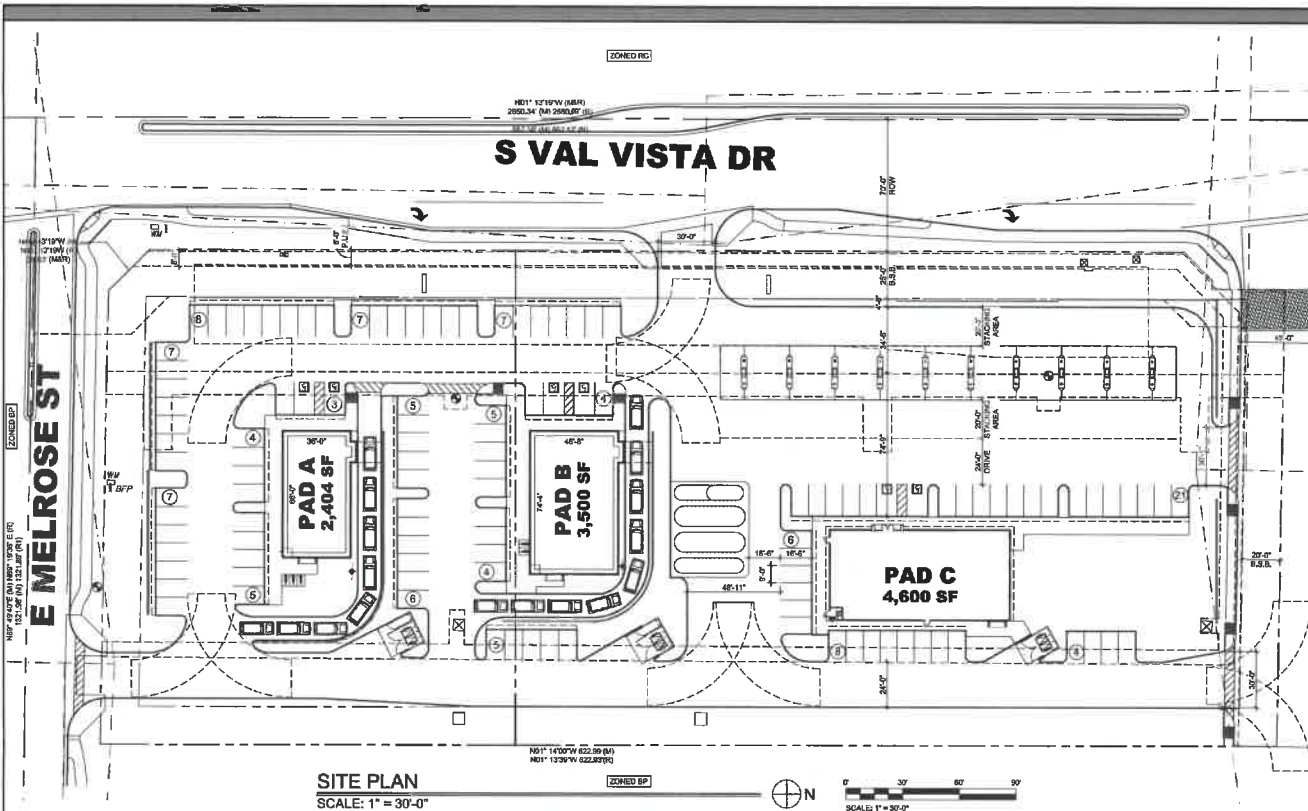
VICINITY MAP



Tab 2

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Tab 3



SITE PLAN
SCALE: 1" = 30'-0"

SITE KEY NOTES:

1. HALF STREET IMPROVEMENTS WILL BE CONSTRUCTED FOR THE DRIVE ABLE TO MATCH WIDTH OF EXISTING. A MINIMUM OF 24" OF PAVEMENT SHALL BE REQUIRED FOR TWO WAY TRAFFIC.
2. EXISTING TWO PROPERTY LINE TO BE RELOCATED
3. PROPOSED ENTRY DRIVE
4. PROPOSED RIGHT TURN DECEL LANE
5. EXISTING RIGHT TURN DECEL LANE
6. SCREEN WALL 2'-0" HIGH, TYP.
7. BICYCLE PARKING STALL 2'-0" X 6'-0", TYP.
8. PARKING STALL 6'-0" X 10'-0", TYP.
9. PARKING STALL 6'-0" X 10'-0", TYP.
10. PARKING OVERHANG 30", TYP.
11. ADA PARKING STALL 11'-0" X 10'-0", TYP. - SEE SITE DETAIL 7
12. ADA ACCESSIBLE RAMP 2'-0" X 10'-0", TYP. - SEE SITE DETAIL 7
13. ACCESSIBLE PATH / RAMP
14. 12" WATER EASEMENT
15. EXISTING FIRE HYDRANT TO BE
16. DRAINAGE AND TEMPORARY RETENTION BASIN EASEMENT
17. 6" ELECTRICAL LINE EASEMENT
18. 6" CONCRETE CURB, TYP.
19. ASPHALT PAVING, TYP.
20. PARKING STRIPING, TYP.
21. PROPOSED 12" WIDE DRIVE-THRU LANE
22. PROPOSED DRIVE-THRU WINDOW
23. PROPOSED MENU BOARD
24. TRASH ENCLOSURE MIN 6'-0" HIGH SCREEN WALLS WITH GATES - PER TOG DETAIL NO. GL-183 SINGLE REFUSE AREA
25. TRASH ENCLOSURE MIN 6'-0" HIGH SCREEN WALLS WITH GATES - PER TOG DETAIL NO. GL-183 WITH RESTAURANT ENCLOSURE WITH GREASE TRAP
26. FIRE TRUCK TURNING RADIUS - 30' MINIMUM OUTSIDE
27. PROPOSED 30" X 10" EXTERIOR RATED WITH ENCLOSURE WING WALLS
28. EXISTING SIDEWALK
29. EXISTING ENTRY DRIVE
30. PROPOSED BIOWALK
31. EXISTING ELECTRICAL TRANSFORMER TO BE RELOCATED
32. PROPOSED UNDERGROUND FUEL TANK
33. SITE VISIBILITY TRIANGLE
34. CANOPY ABOVE SHOWN DASHED
35. FUEL PUMPS, TYP.
36. PROPOSED LANDSCAPING
37. PROPOSED FOG LOCATION AT BUILDING WALL
38. PROPOSED PEDESTRIAN CONNECTIVITY TO ADJACENT FUTURE DEVELOPMENT TO THE EAST
39. PROPOSED FIRE RESER ROOM
40. COMMON / SHARED ACCESS EASEMENT AND DRIVE
41. MONUMENT SIGN
42. TRANSFORMER

VICINITY MAP

VICINITY MAP:



SITE DATA

PARCEL NUMBER:	301-33-308 & 301-33-307
EXISTING ZONING:	BP - (BUSINESS PARK) PND
PROPOSED ZONING:	GC - GENERAL COMMERCIAL
GENERAL PLANNING AND USE CLASSIFICATION:	
EXISTING:	BP (BUSINESS PARK)
PROPOSED:	GC (GENERAL COMMERCIAL)
THE SUBJECT PROPERTY IS PART OF THE VAL VISTA 180 & GERMAIN PND OVERLAY. VERTICAL DEVELOPMENT OVERLAY ZONING DISTRICT ORDINANCES IN EFFECT:	
NET SITE:	191,210 SF / 3.86 AC
CROSS SITE:	218,894 SF / 5.02 AC
PROPOSED USES:	(2) RESTAURANTS W/ DRIVE-THRU, (1) FUELING FACILITY
PARKING REQUIRED:	1 SPACE PER 100 SF; PLUS 1 SPACE PER 400 SQ FT OF OUTDOOR DINING AREA
FUELING FACILITY:	1 SPACE PER 100 SF OF CONVENIENCE RETAIL SALES, PLUS 2 SPACES PER SERVICE BAY
BUILDING AREA:	2,404 SF
PAD A:	2,404 SF
PAD B:	3,500 SF
PAD C:	4,600 SF
TOTAL:	10,504 SF
TOTAL LANDSCAPE AREA:	17,881 SF
LANDSCAPE AREA PERCENTAGE COVERAGE:	10.3%
LOT COVERAGE PERCENTAGE:	7.1%
LANDSCAPE AREA REQUIRED:	22'-0"
LANDSCAPE AREA PROVIDED:	22'-0"
FRONT SETBACK REQUIRED:	22'-0"
FRONT SETBACK PROVIDED:	22'-0"
SIDE SETBACK REQUIRED:	22'-0"
SIDE SETBACK PROVIDED:	22'-0"
REAR SETBACK REQUIRED:	22'-0"
REAR SETBACK PROVIDED:	22'-0"
PARKING REQUIRED:	63 SPACES
RESTAURANT:	63 SPACES
FUELING FACILITY:	63 SPACES
TOTAL:	126 SPACES
PARKING PROVIDED (77 + 36 + 10 PUMPS):	126 SPACES TOTAL
PARKING RATIO:	11.9 SPACES / 1,000 SF
BICYCLE PARKING REQUIRED:	15 SPACES
BICYCLE PARKING PROVIDED:	15 SPACES

PROJECT TEAM

ARCHITECT:	OWNER:
VERTICAL DESIGN STUDIOS, LLC.	AVAILON INVESTMENTS, INC.
4650 EAST COTTON CENTER BLVD, SUITE 140	10511 N. HAVEN ROAD, SUITE D-103
PHOENIX, ARIZONA 85034	PHOENIX, ARIZONA 85034
PHONE: 602.385.1000	PHONE: 480.718-8700
FAX: 602.385.1000	FAX: 480.718-8700
EMAIL: info@verticaldesignstudios.com	EMAIL: owner@availoninvestments.com
CONTACT: Tina Fisher	CONTACT: Charlie Peltier

LEGAL DESCRIPTION

LOT 1, ME 1/2 OF A REPLAT OF PORTIONS OF ANCESTRAL FINAL PLAT OF MERRY PRIME MEDICAL CENTER A CONDOMINIUM, RECORDED IN BOOK 1385 OF MAPS, PAGE 16, RECORD OF MARICOPA COUNTY, ARIZONA, BEING SITUATED IN THE NORTHWEST QUARTER OF SECTION 4, TOWNSHIP 2 SOUTH, RANGE 8 EAST OF THE GILA AND SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA.

NOTES

ALTHOUGH NO NEW TRAFFIC SIGNALS ARE ASSOCIATED WITH THIS PROJECT, ARTICLE 8 REQUIRES THE INSTALLATION OF 3-4" INTERCONNECT CONDUITS TO BE INSTALLED THE LENGTH OF THE PROJECT WITH BULLBOBS SPACED EVERY 100 FEET ON A CONDUIT RUN (GL-401, GL-441, GL-442, AND GL-543). THE INTERSECTION OF VAL VISTA & MELROSE ST. SHALL BE "BOXED IN" FOR THE FUTURE POSSIBILITY OF SIGNALIZATION.

LEGEND

	EXISTING ELECTRICAL TRANSFORMER
	EXISTING FIRE HYDRANT
	FIRE TRUCK TURNING RADIUS
	ACCESSIBLE PATH OF TRAVEL

CONCEPTUAL SITE PLAN

3757 South Val Vista Dr.
(NEC S. Val Vista Dr. and E. Melrose St.)
Gilbert, AZ

09.08.2019

PROJECT NO.: 18035



4650 E. Cotton Center Boulevard Phoenix, AZ 85040
602.385.1000 www.verticaldesignstudios.com



WEST ELEVATION
SCALE: 1/8" = 1'-0"



EAST ELEVATION
SCALE: 1/8" = 1'-0"



NORTH ELEVATION
SCALE: 1/8" = 1'-0"



SOUTH ELEVATION
SCALE: 1/8" = 1'-0"

COLOR/MATERIAL SCHEDULE

- COLOR/MATERIALS**
- A. FACE BRICK VENEER
 - B. ALUMINUM METAL PANEL
 - C. DOUGLAS FIR GLULAM WOOD
 - D. FINE SAND FINISH STUCCO - DARK GREY
 - E. STUCCO - TAUPE
 - F. STUCCO - CREAM WHITE
 - G. STOREFRONT - CLEAR ANODIZED ALUMINUM



PAD C

NEC S. VAL VISTA DR AND E MELROSE ST.
Gilbert, AZ

08.20.2019
PROJECT NO.: 18065



4850 E. Cotton Center Boulevard Phoenix, AZ 85040
602.585.1000 www.verticaldesignstudios.com



SOUTH ELEVATION
SCALE: 1/8" = 1'-0"



NORTH ELEVATION
SCALE: 1/8" = 1'-0"



EAST ELEVATION
SCALE: 1/8" = 1'-0"



WEST ELEVATION
SCALE: 1/8" = 1'-0"

COLOR/MATERIAL SCHEDULE	
COLORS/MATERIALS	
A.	FACE BRICK VENEER
B.	ALUMINUM METAL PANEL
C.	DOUGLAS FIR GLULAM WOOD
D.	FINE SAND FINISH STUCCO - DARK GREY
E.	STUCCO - TAUPE
F.	STUCCO - CREAM WHITE
G.	STOREFRONT - CLEAR ANODIZED ALUMINUM



PAD A

NEC S. VAL VISTA DR AND E MELROSE ST.
Gilbert, AZ

08.28.2019
PROJECT NO.: 18065



4050 E. Cotton Center Boulevard Phoenix, AZ 85040
602.396.1000 www.verticaldesignstudios.com

COLOR/MATERIAL SCHEDULE

- COLOR/MATERIAL SCHEDULE**
- A. FACE BRICK VENEER
 - B. ALUMINUM METAL PANEL
 - C. DOUGLAS FIR GLULAM WOOD
 - D. FINE SAND FINISH STUCCO - DARK GREY
 - E. STUCCO - TAUPE
 - F. STUCCO - CREAM WHITE
 - G. STOREFRONT - CLEAR ANODIZED ALUMINUM



PAD B

NEC S. VAL VISTA DR AND E MELROSE ST.
Gilbert, AZ

08.28.2019

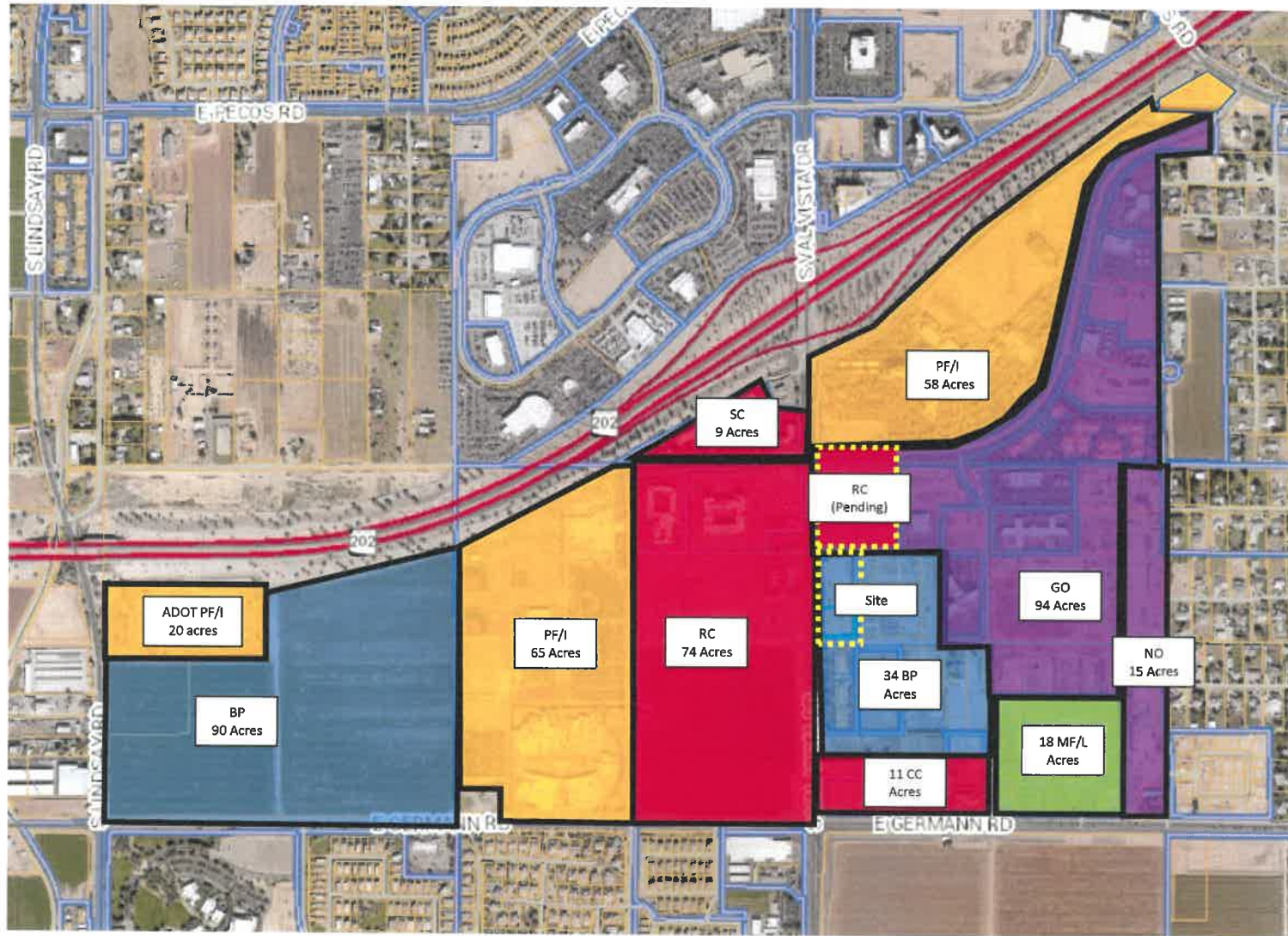
PROJECT NO.: 18085



4650 E. Cotton Center Boulevard Phoenix, AZ 85040
602.365.1000 www.verticaldesignstudio.com

Tab 4

Land Use
Inventory
Map



Tab 5

August 16, 2019

Town of Gilbert
90 E Civic Center Drive
Gilbert, Arizona 85296

Re: Melrose Commercial – Support Letter

To Whom It May Concern

I am the developer of the Sonoran Spine office located on the 2.4-acre property on Rome Street, north of Melrose Street in Gilbert with land acquisition scheduled for August 26, 2019. I had a chance to meet with the development team and review their proposal for commercial uses at Melrose and Val Vista Drive and I support this rezone request. As an office developer, we want opportunities where employees and patients have access to nearby dining and retail opportunities during lunch breaks and between visits. It is the ideal way to support a workforce area and it is convenient to have one close by. We welcome this proposal and hope the town will support the rezone request.

Sincerely,

A handwritten signature in black ink, appearing to read 'Colin Brown', with a stylized, flowing script.

Colin Brown
Principal/Owner

WHITEBOARD DEVELOPMENT CO.



August 7, 2019

Town of Gilbert
90 East Civic Center Drive
Gilbert, Arizona 85296

Re: Support for "Melrose Commercial"

To Whom it May Concern,

This letter is to express our support of Melrose Commercial that is proposed at the northeast corner of South Val Vista Drive and East Melrose Street in Gilbert. BB Living Residential (dba BB Val Vista, LLC) is the developer and owner of the 217-townhome community currently under construction at the northeast corner of South Rome Street and East Germann Road known as BB Living at Val Vista. We are one of the largest owners within this Val Vista Growth Area.

We think Melrose Commercial is the perfect addition to this area. Our residents will appreciate having convenient and supportive commercial uses nearby. The fact that it is on South Val Vista Drive is ideal since it is within the immediate area without necessarily being next door. Commercial opportunities like this strike the right balance between the burgeoning employment, high density residential, and commercial activity of the area. We appreciate the developer's efforts to build quality commercial/retail that enhances the overall offering of the area and welcome their proposed development. We support the rezoning of this property and that you will approve this case.

Sincerely,

A handwritten signature in black ink, appearing to read "B. H. L.", followed by a period.

President
BB Living Residential

July 31, 2019

Sydney Bethel
Town of Gilbert
90 E. Civic Center Drive
Gilbert, AZ 85296

Re: Support for Melrose Commercial
Northeast corner of Val Vista Drive and Melrose Street

Dear Sydney,

I want to express my support for the Melrose Commercial development proposed at the northeast corner of Melrose Street and Val Vista Drive in Gilbert. This development is adjacent to, and directly south, of my property in Gilbert. I reviewed their development plans and support their application for a commercial zone change. Like my property, their site fronts a busy arterial road which makes it both compatible and appropriate. I believe it will be a benefit to the larger area and will help provide commercial support and services for employees at the hospital and nearby offices. It will be a benefit to Gilbert, and I support this proposal.

Sincerely,

A handwritten signature in cursive script, reading "Sherry Lund".

Victoria Lund Foundation

August 6, 2019

Sydney Bethel
Town of Gilbert
90 E Civic Center Drive
Gilbert, Arizona 85296

Re: Support for "Melrose Commercial"
Northeast Corner of Val Vista Drive and Melrose Street, Gilbert, AZ

Dear Ms. Bethel:

Melrose Partners, LLC owns approximately 26.7 acres of land in the Val Vista Medical Growth Area. We are perhaps the largest landowner besides the hospital campus and have a critical stake in the development that occurs in this area. For this reason, it is important we express our support for the rezone case proposed at the northeast corner of Val Vista Drive and Melrose Street.

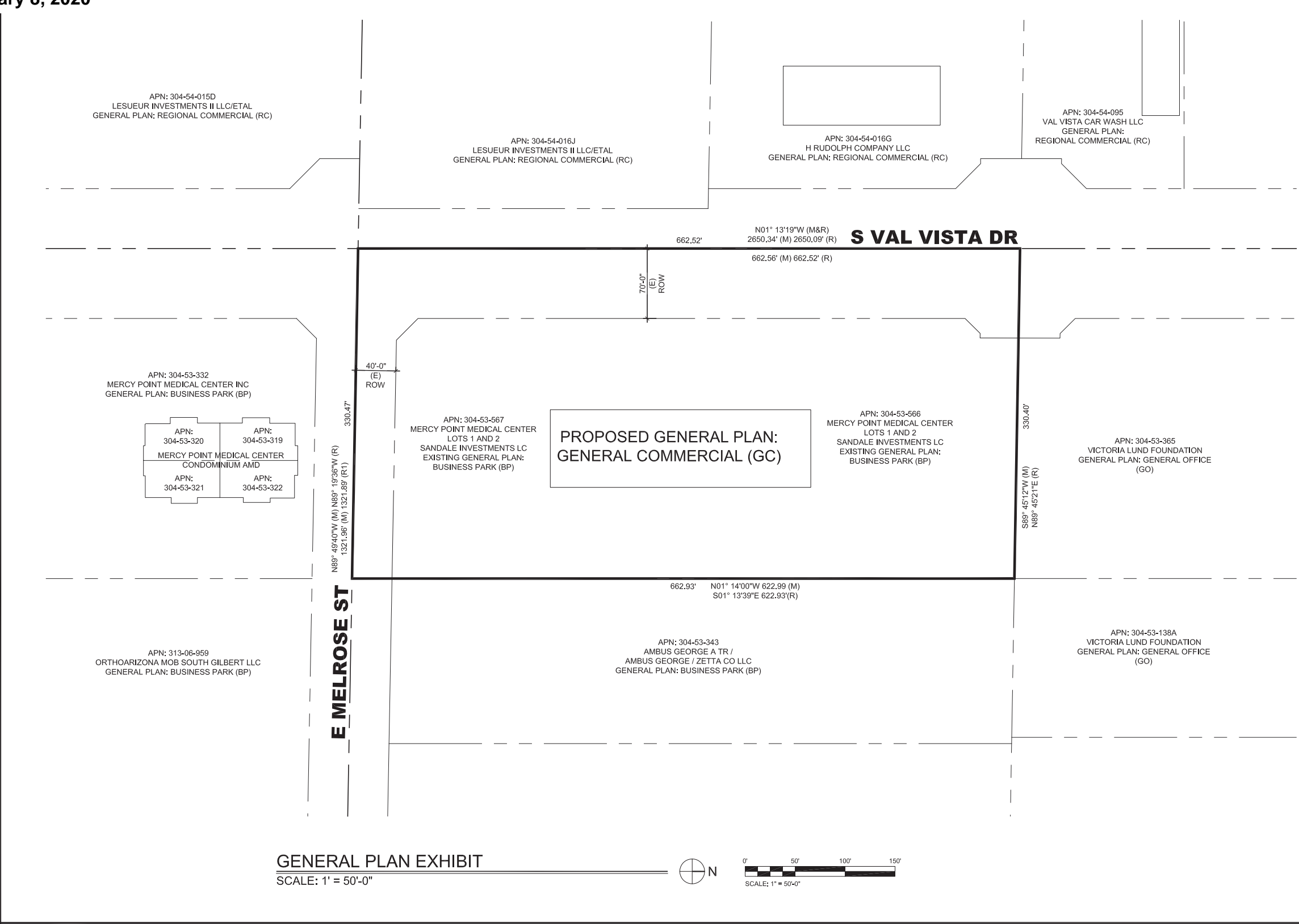
This employment area needs support retail and dining services in closer proximity, and naturally, it makes perfect sense for this to be located along Val Vista Drive. Employees in this area desire quick access to services and amenities on their lunch breaks. There are minimal options nearby without crossing into the crowded San Tan Mall area north of the 202 Freeway.

All strong employment areas should be buoyed by adjacent retail and dining that can support the workforce. For these reasons, Melrose Partners LLC supports this rezone case.

Sincerely,

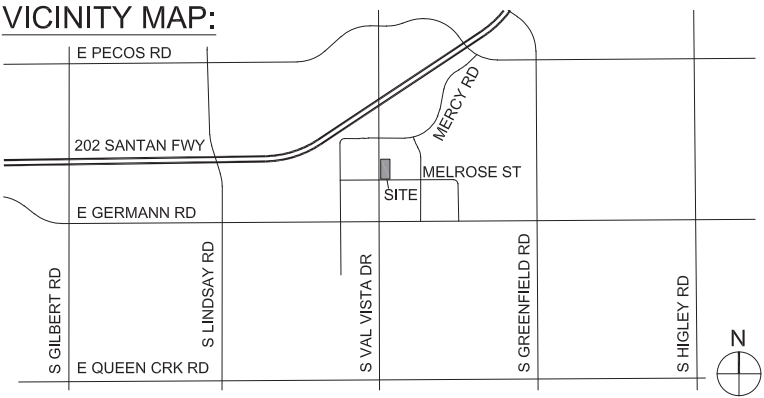
A handwritten signature in cursive script, appearing to read "Sherry Sund".

Melrose Partners, LLC



GENERAL PLAN EXHIBIT
SCALE: 1" = 50'-0"

SITE DATA:	
PARCEL NUMBER:	304-53-566 & 304-53-567
GENERAL PLAN LAND USE CLASSIFICATION:	
EXISTING:	BP (BUSINESS PARK)
PROPOSED:	GC (GENERAL COMMERCIAL)
NET SITE:	161,010 SF / 3.69 AC
GROSS SITE:	218,894 SF / 5.03 AC

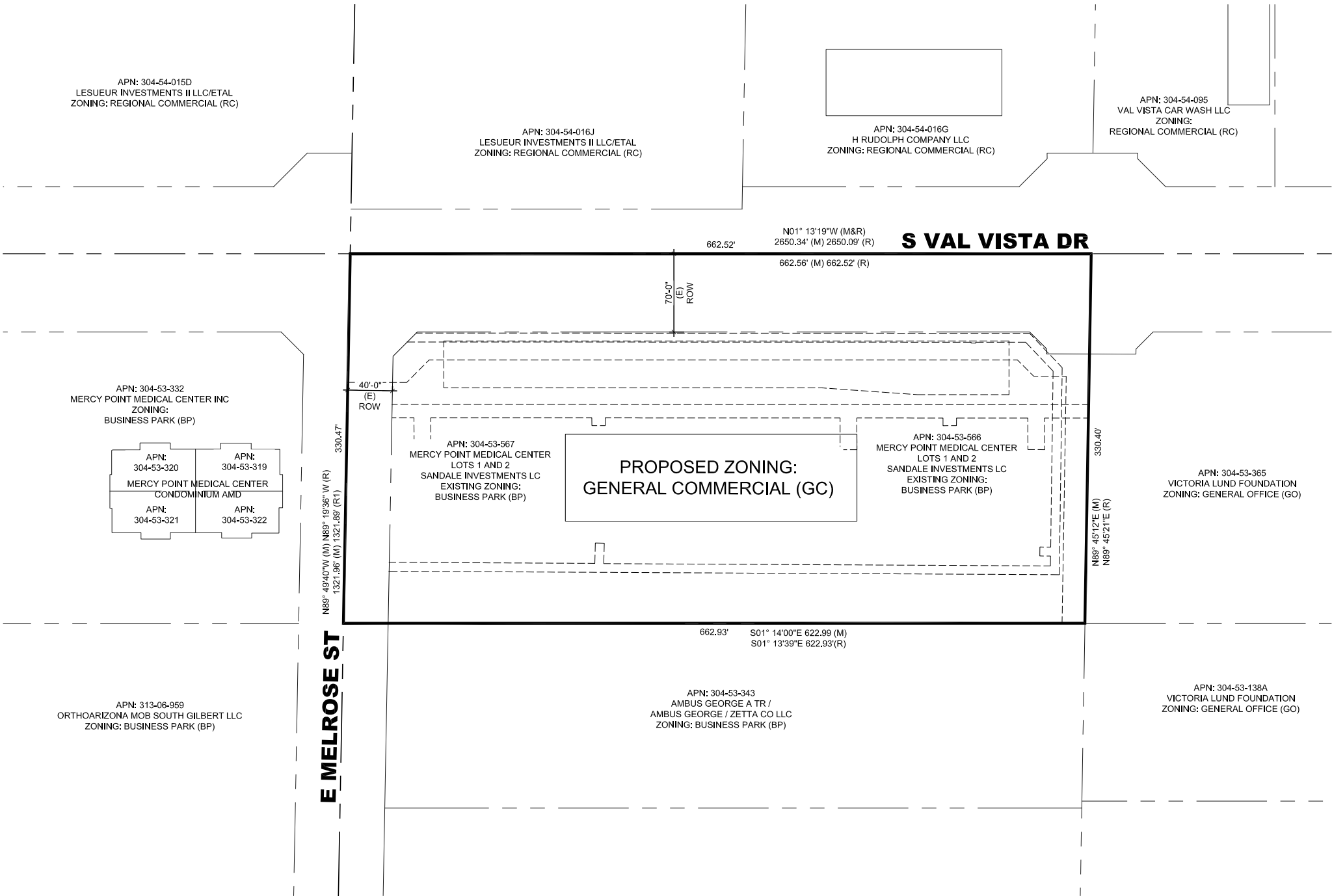


GENERAL PLAN EXHIBIT

NEC S. Val Vista Dr. and E. Melrose St.
Gilbert, AZ
12.05.2019
PROJECT NO.: 18085

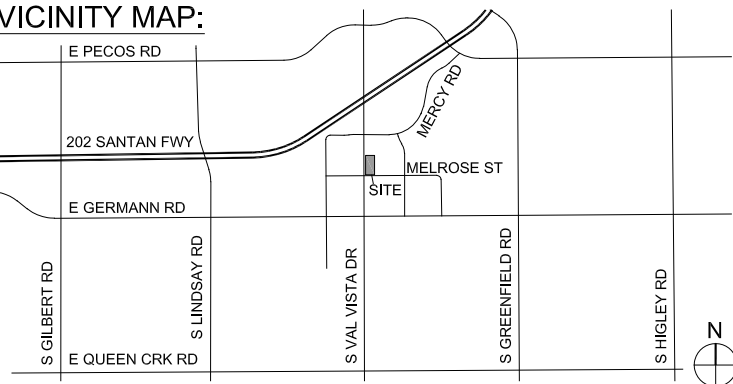


4650 E. Cotton Center Boulevard Phoenix, AZ 85040
602.395.1000 www.verticaldesignstudios.com

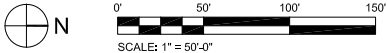


SITE DATA:	
PARCEL NUMBER:	304-53-566 & 304-53-567
EXISTING ZONONG:	BP - (BUSINESS PARK) PAD
PROPOSED ZONING:	GC - GENERAL COMMERCIAL
OVERLAY: PHOENIX-MESA GATEWAY AIRPORT OVERLAY AOA 3	
OVERLAY: VERTICAL DEVELOPMENT OVERLAY ZONING DISTRICT AREA 5	
NET SITE:	161,010 SF / 3.69 AC
GROSS SITE:	218,894 SF / 5.03 AC

NOTE:
WATER, SEWER & POWER ARE PROVIDED TO THE SITE.



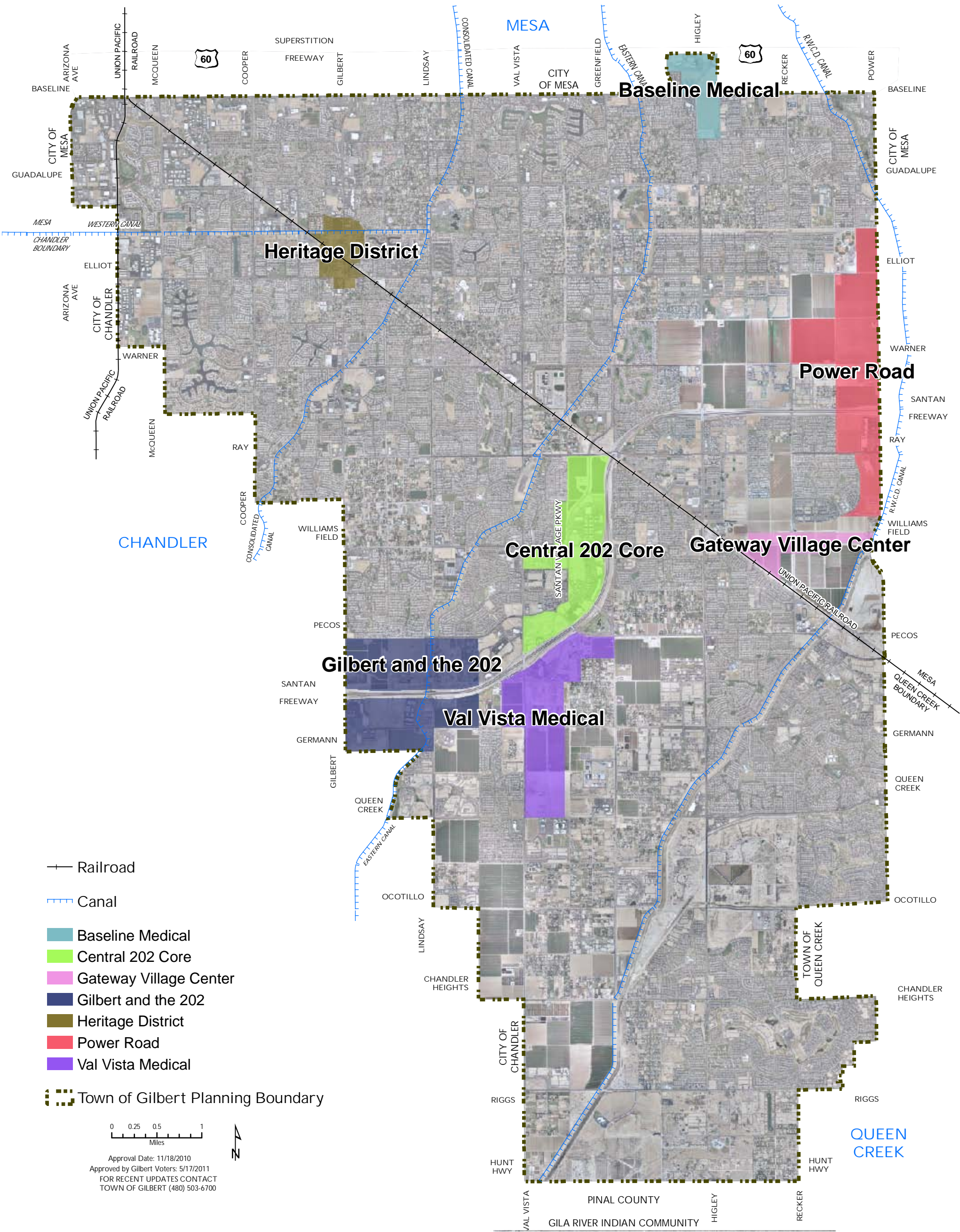
ZONING EXHIBIT
SCALE: 1" = 50'-0"



ZONING EXHIBIT
NEC S. Val Vista Dr. and E. Melrose St.
Gilbert, AZ
12.05.2019
PROJECT NO.: 18085

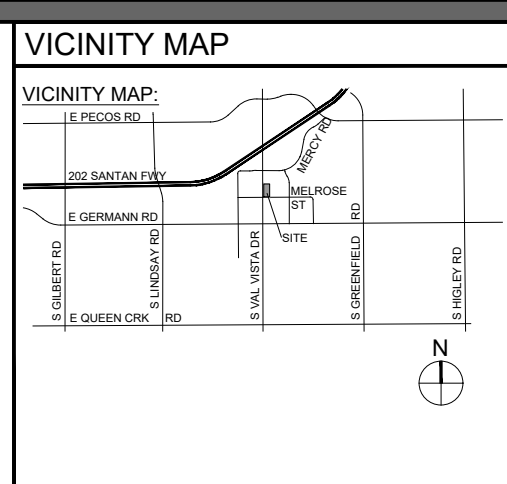


4650 E. Cotton Center Boulevard Phoenix, AZ 85040
602.395.1000 www.verticaldesignstudios.com

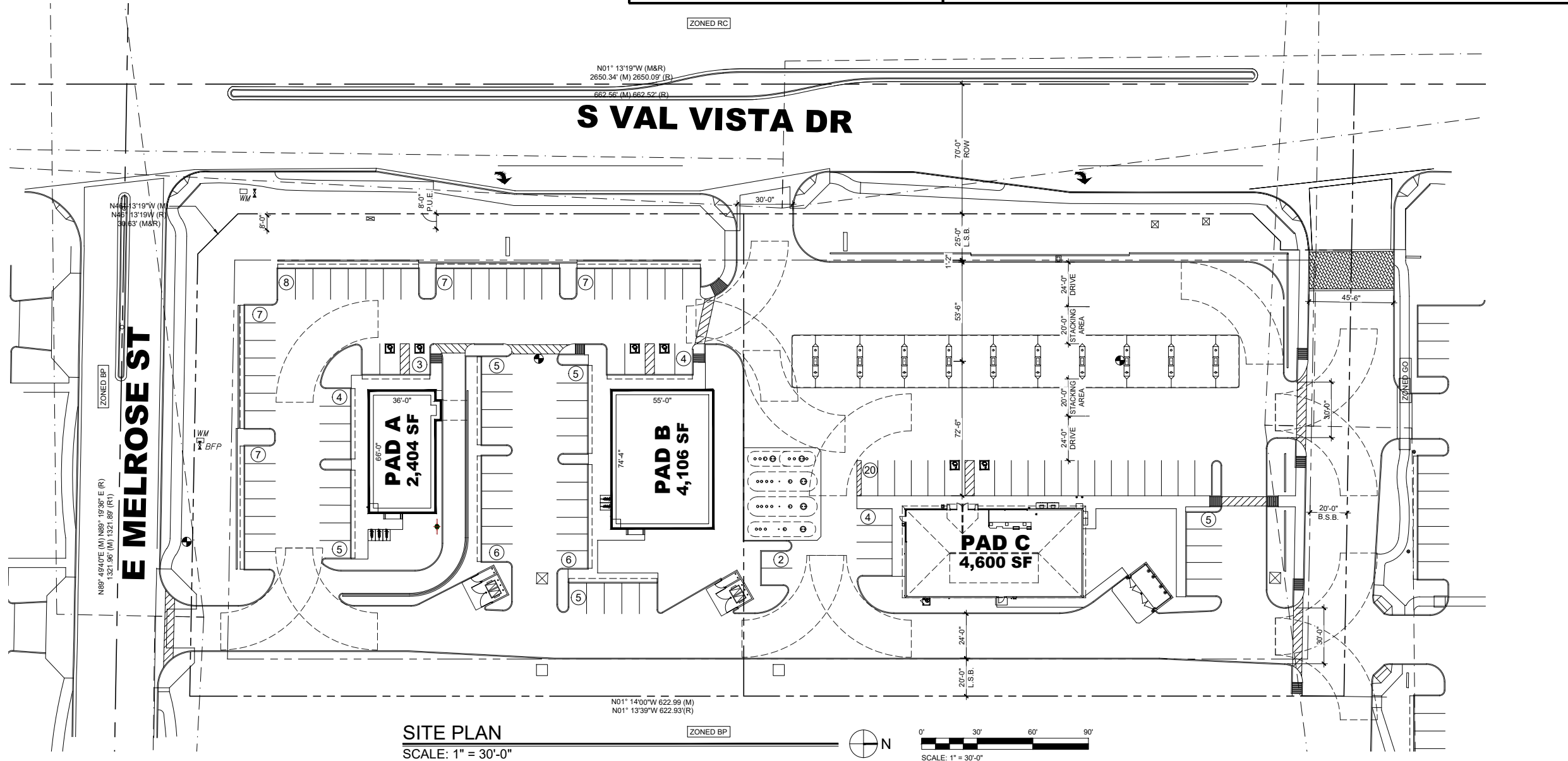


GROWTH AREAS MAP









SITE DATA	
PARCEL NUMBER:	304-53-566 & 304-53-567
EXISTING ZONING:	BP - (BUSINESS PARK) PAD
PROPOSED ZONING:	GC - GENERAL COMMERCIAL
GENERAL PLAN LAND USE CLASSIFICATION:	BP (BUSINESS PARK)
EXISTING:	GC (GENERAL COMMERCIAL)
PROPOSED:	
THE SUBJECT PROPERTY IS PART OF THE VAL VISTA 160 & GERMANN PAD	
OVERLAY: VERTICAL DEVELOPMENT OVERLAY ZONING DISTRICT	
ORDINANCES IN EFFECT:	1813
NET SITE:	161,010 SF / 3.69 AC
GROSS SITE:	218,894 SF / 5.03 AC
<u>PROPOSED USES:</u>	(1) RESTAURANTS W/ DRIVE-THRU, (1) RETAIL, (1) FUELING FACILITY
<u>PARGING REQUIRED:</u>	
RESTAURANTS, FULL/LIMITED SERVICE:	1 SPACE PER 100 SF; PLUS 1 SPACE PER 400 SQ FT OF OUTDOOR DINING AREA 1 SPACE PER 300 SF; 1 SPACE PER 100 SF OF CONVENIENCE RETAIL SALES; PLUS 2 SPACES
RETAIL:	
FUELING FACILITY:	



PROJECT TEAM	
<u>ARCHITECT</u>	<u>OWNER</u>
VERTICAL DESIGN STUDIOS, LLC. 4650 EAST COTTON CENTER BLVD, SUITE 140 PHOENIX, ARIZONA 85040 PHONE: 602.395.1000 E-MAIL: flower@verticaldesignstudios.com CONTACT: Trish Flower	AVALON INVESTMENTS, INC. 10811 N. HAYDEN RD., SUITE D-103 PHOENIX, ARIZONA 85016 PHONE: 480.376-8750 FAX: E-MAIL: charlie@avaloninvestmentsinc.com CONTACT: Charlie Pelletier

LEGEND

	EXISTING ELECTRICAL TRANSFORMER
	EXISTING FIRE HYDRANT
	FIRE TRUCK TURNING RADIUS
	ACCESSIBLE PATH OF TRAVEL



MEMO

TO: Town Council
FROM: Gilbert Chamber Board of Directors
DATE: November 21, 2019

RE: Melrose Commercial (NEC Val Vista/Melrose)

The Gilbert Chamber of Commerce Public Policy committee and Board of Directors has reviewed this project that will come before you after the first of the year. The request is to make a minor change within the current Business Park zoning designation to General Commercial. By doing so this 5.3 acres would develop a retail component consisting of a fuel facility and two restaurants.

Due to traffic patterns, having these options on the east side of the road will assist those heading north towards the freeway and will also provide easy access to services for those employees within the area.

The Gilbert Chamber of Commerce Board of Directors supports this request. Please contact Kathy Tilque if you have any questions at 480-892-1103.

A.H. 11/25/19

Market Assessment: Minor General Plan Amendment to Rezone Five Acres of Business Park to General Commercial at the Northeast Corner of Val Vista & Melrose

Land Use Model

Since this project involved a rezone from employment to commercial use (which is significant for tax revenue purposes), this project was evaluated using the Office of Economic Development's land use model developed by Applied Economics. General commercial supports retail which in turn drives General Fund revenues. Two scenarios were evaluated: a) development of the site as five acres of Business Park and b) development as five acres of General Commercial. Results favor the General Commercial scenario. In sum, the net fiscal impact of the commercial scenario averages about \$70K annually, while Business Park averages -\$1.5K annually. Results are displayed below in **tables 1 and 2**.

[Table 1 and 2 are below in appendix A]

Economic Impact Model

The land use/fiscal impact model results favor the commercial scenario, but the potential impacts of the employment should also be evaluated using an economic impact model. A retail store may generate more sales tax revenue annually than an office building however, the office building may house more employees at higher wages, and their collective impact on local retail should be considered.

Two hypothetical scenarios were evaluated to demonstrate the potential economic impacts. First, five acres of business park development was modelled using the Gilbert Office of Economic Development's economic impact model. To estimate economic impacts some assumptions were necessary regarding the employment that five acres of Business Park would support. There are approximately 44 acres of non-vacant Business Park zoned land throughout the Town, and the associated businesses on this land employ 1,559., which equates to 35.3 employees per acre. The most common industry represented on Business Park zoned land is Healthcare, followed by Financial Activities. Therefore, the parameters chosen for the hypothetical scenario included 35.3 (employees) * 5 (acres) for a total of 177 employees in Healthcare. The economic impact of 177 new Healthcare employees is presented below in **table 3**. Using the same method, it was estimated that food service land generates 16 employees per acre. Assuming five acres, this generates 80 food service employees. The economic impacts of 80 new food service employees are presented below in **table 4**.

Definitions

Employment: Total number of full-time equivalent (FTE) employees.

Personal Income: Total wage and salary income paid to employees.

Output: Total dollar value of all goods and services sold within a given period.

Direct: Impacts due to the direct impact of construction.

Supplier: Impacts resulting from inter-industry purchases in support of construction.

Consumer: Impacts generated by the increase in household spending due to the project.

Table 3. Annual Economic Impact of a Hypothetical Addition of 177 Healthcare Employees

	Direct	Supplier	Consumer	Total
Employment	177	41	72	290
Personal Income	\$ 11,537,904	\$ 1,701,728	\$ 2,911,323	\$ 16,150,955
Output	\$ 22,459,807	\$ 5,684,356	\$ 9,865,554	\$ 38,009,717

Source: Applied Economics, 2019

Land Use Analysis

Table 4. Annual Economic Impact of a Hypothetical Addition of 80 Food Service Employees

	Direct	Supplier	Consumer	Total
Employment	80	6	11	97
Personal Income	\$ 1,874,960	\$ 223,848	\$ 463,056	\$ 2,561,864
Output	\$ 4,291,531	\$ 821,516	\$ 1,569,165	\$ 6,682,212

Source: Applied Economics, 2019

Commercial

General commercial development is regarded by the [International Council of Shopping Centers](#) as having a 3-6 mile trade area radius. Accordingly, retail statistics within a 3 and 6 mile radius of the subject site were analyzed. Moreover, retail properties for the analysis were limited to fast food establishments. Results show that the area within the three and six mile radii are experiencing low vacancy rates and climbing lease rates for fast food retail.

Within the three and six mile radii, there were 25 and 78 fast food retail properties, respectively. Fast food retail vacancy rates currently sit at zero percent in the three and six mile radii. Generally, retail vacancy rates are healthy when between 8-10%. Lower rates suggest a shortage of inventory which puts upward pressure on lease rates. Higher rates are indicative of a lack of demand. Lease rates for fast food retail have risen consistently each quarter since 2013. Although lease rates for the three and six mile radii have not reached their pre-recession peak, they have posted consist growth over the last six years. **Figures 1 and 2** below display rent and vacancy for the 3 and 6 mile radii, respectively.

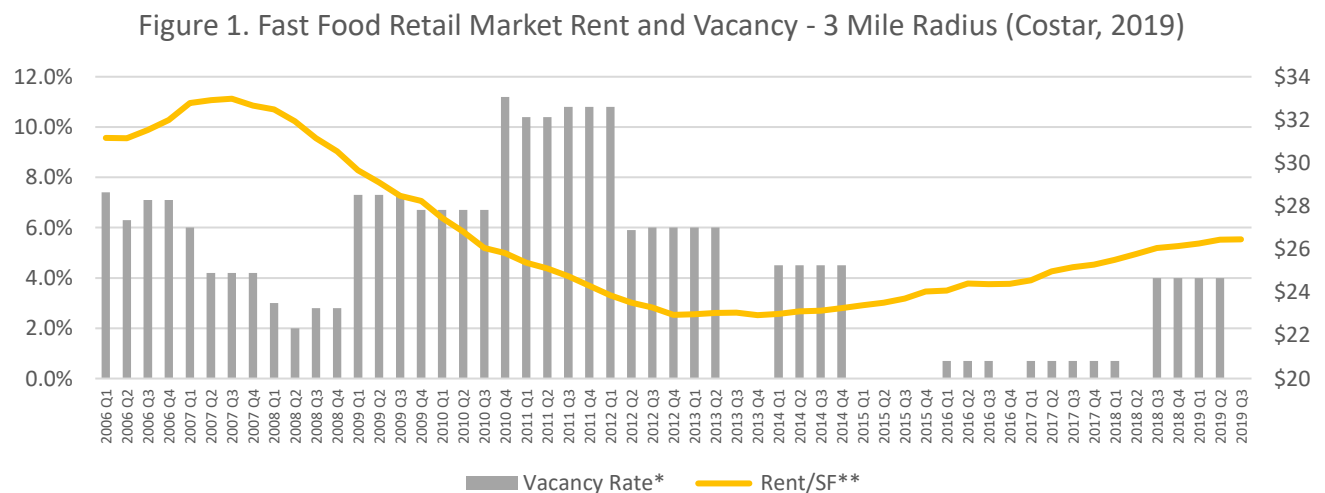
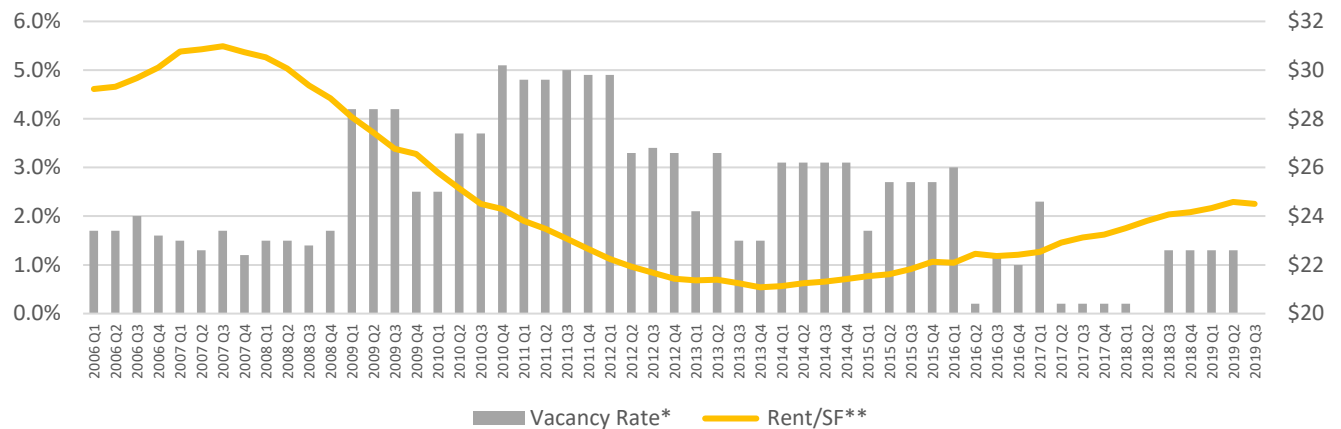


Figure 2. Fast Food Retail Market Rent and Vacancy - 6 Mile Radius (Costar, 2019)



According to ESRI data, the area within a three-mile radius spends more than the national average on fast food. The population within a three mile radius was 67% more likely than the national average to have spent more than \$200 on fast food within the last 30 days; 43% more likely to have spent \$100-\$200. ESRI market potential indices for fast food within the 3 and mile radii are presented in **table 5** below:

Table 5. Fast Food Market Potential within 3-Mile Radius

Category	3-Mile	6-Mile
\$0-10:	66	75
\$11-20:	92	92
\$21-40:	100	100
\$41-50:	99	101
\$51-100:	116	114
\$101-200:	143	133
\$201+:	167	152

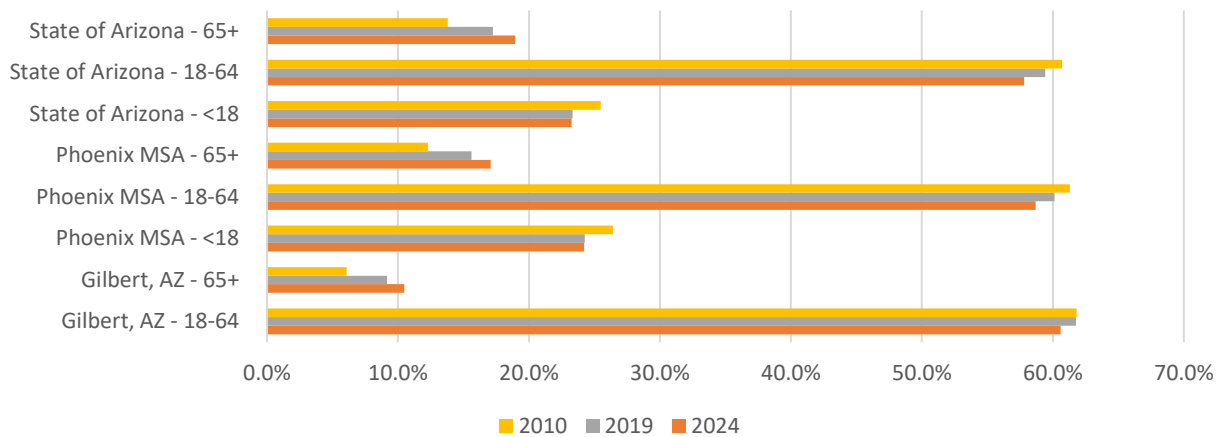
US Average=100

Source: ESRI, 2019

Employment

Healthcare employment is the most common industry represented on Business Park land throughout the Town. Moreover, the Mercy Gilbert medical growth area represents a center of agglomeration and localization of medical facilities, supply chains and labor which suggests that continued healthcare employment growth may be in the future for this area. One fact to support this assumption is that the region's population is aging. According ESRI data, the number of residents ages 65+ nearly doubled between 2010 and 2019 (12.9K to 24.8K in 2019). As Figure 3 below shows, the share of residents aged 65+ is a growing demographic across the Town, Metro area and the State. Additional visuals related to the share of population by age group by zip and density of population by age group are available at this link: <https://bit.ly/2SmSMa4>.

Figure 3. Percent of Population by Age - Gilbert, Phoenix MSA and State (ESRI)



If this is rezoned, how much BP is left?

In this case of a rezone from a non-residential to non-residential use, both scenarios have advantages at this location. Commercial development presents modest yet significant gains in sales tax revenue. Conversely, development as employment may have significant economic impacts. One question that remains is what does the vacant land inventory look like nearby? **Table 6** below displays the vacant acreage by zoning class within a 1, 3 and 6 mile radius of the subject site.

Table 6. Vacant Acres by Zoning Class by Radius

Zoning	1-Mile	3-Mile	6-Mile
BP	117.5	169.4	141.9
CC	9.3	32.5	43.6
GC	13.9	11.0	217.6
NC		12.2	17.8
NO	15.1	9.8	0.1
RC	94.5	153.8	102.5
SC	9.8	36.5	115.1

Source: Maricopa County Assessor, 2019

Appendix A. Land Use/Fiscal Impact Results**Table 1. Fiscal Impacts of 5 Acres of Business Park Development**

Revenues/Expenditures	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Revenues	43,543	7,128	7,078	7,220	7,364	7,512	7,662	7,815	7,971	8,131
Expenditures	29,749	9,526	9,711	9,904	10,100	10,301	10,505	10,714	10,926	11,143
Transfers Out	1,234	366	374	381	389	396	404	412	421	429
Overall Net Operating Impact	12,559	(2,764)	(3,007)	(3,065)	(3,125)	(3,186)	(3,248)	(3,311)	(3,376)	(3,441)
as percent of revenue	28.8%	-38.8%	-42.5%	-42.5%	-42.4%	-42.4%	-42.4%	-42.4%	-42.3%	-42.3%
10 Year Net Present Value	(11,653)									

Source: Applied Economics, 2019.**Table 2. Fiscal Impacts of 5 Acres of Community Commercial Development**

Revenues/Expenditures	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Revenues	156,547	101,970	103,711	105,780	107,896	110,054	112,255	114,501	116,791	119,127
Expenditures	68,669	33,644	34,304	34,983	35,675	36,382	37,102	37,837	38,586	39,351
Transfers Out	6,347	5,062	5,163	5,266	5,372	5,479	5,589	5,700	5,814	5,931
Overall Net Operating Impact	81,531	63,264	64,243	65,531	66,849	68,194	69,565	70,963	72,390	73,845
as percent of revenue	52.1%	62.0%	61.9%	62.0%	62.0%	62.0%	62.0%	62.0%	62.0%	62.0%
10 Year Net Present Value	593,591									

Source: Applied Economics, 2019.

~~applicant in what they are looking for rather than having those requests made at the last minute. He liked the comments to find a way to stay within compliance. It is his philosophy that there better be a really good reason for an exception and there better be something in it for the town.~~

- 6. GP19-14 MELROSE COMMERCIAL: Request for Minor General Plan Amendment to change the land use classification of approx. 5.03 gross acres generally located at the northeast corner of Val Vista Drive and Melrose Street from Business Park (BP) to General Commercial (GC).**

Z19-26 MELROSE COMMERCIAL: Request to rezone approx. 5.03 gross acres generally located at the northeast corner of Val Vista Drive and Melrose Street from Business Park (BP) zoning district with a Planned Area Development (PAD) overlay to General Commercial (GC).

Planner Sydney Bethel presented Melrose Commercial, request for a Minor General Plan Amendment and rezone. The subject site is approximately five gross acres zoned Business Park with a PAD overlay located at the northwest corner of Val Vista Drive and Melrose Street. In this area, the Acero Val Vista was presented earlier in the agenda for a zoning change to multi-family. The subject site is located within the Val Vista Medical Growth Area. The intent in this area is for medical offices supporting a hospital. This Growth Area was created after the hospital was constructed in 2006, which then spurred development along with the 202 Freeway. Back in 2004 before the hospital was constructed, the area was mostly farm land and single-family homes.

The request is for a Minor General Plan Amendment from Business Park (BP) to General Commercial (GC) and a rezoning from Business Park (BP) with a PAD overlay to conventional General Commercial (GC). The site would be pulled out of the existing Planned Area Development and the applicant is not requesting any deviations. The applicant has provided a site plan for reference only as this is not a PAD request. The reason for the rezoning request and the GP is to allow for two drive-through restaurants and a fueling station. Business Park does allow restaurants as long as they do not front arterials, although drive-throughs and gas stations are not permitted. General Commercial is being proposed in order to allow these uses. Elevations were provided for reference only. The applicant's reasons for the change is that they would like to have commercial elements to support the existing medical offices and hospital, to provide a service to the area along with a gas station to serve residents on their way to the 202 Freeway. Letters of support for this project have been provided by the Chamber of Commerce as well as adjacent property owners.

Staff is requesting general feedback from the Commission on the zoning change as well as the change from employment to commercial in the Val Vista Medical Growth Area.

COMMISSION QUESTIONS/COMMENTS:

Commissioner Simon thought this was a great use for this piece of property. The northbound traffic heading to the 202 in the morning needs services.

Vice Chair Bloomfield stated that back when development started in this area and the hospital was built, there was a mad dash to do a whole bunch of General Plan and zoning changes there. The town took it over and decided to form an overall plan for the area. Staff has held to this plan very diligently and it is developing out nicely. As the economy is coming back and there is a lot of construction going on around the hospital, he was a little torn as to whether or not to hold tight to that General Plan, the Growth Area and all of the planning that took place 15 years ago. He felt this was a piece that made the most sense to do that. He was still on the fence for this proposal.

7. DISCUSSION OF REGULAR MEETING AGENDA:

~~Chair Andersen recommended that a few items on the non-consent agenda be moved to the consent calendar if there were no requests to speak on those items from the public. Those items are 18. GP19-11 and 19. Z19-23 for The Murphy and 20. GP19-12 and 21. Z19-24 for Val Vista Square.~~

~~The Commission agreed to move those items to the Consent Calendar if there was no public comment.~~